

2005-06 Critical Shortage Areas Announced



TFFR Compliance Reviews Continue

The April 2005 Briefly newsletter outlined Retiree Reemployment Provisions under the "General Rule." In addition to the "General Rule," retired teachers may also return to TFFR covered employment in an approved "Critical Shortage Area" (CSA) and exceed the annual hour limit without losing retirement benefits. If retired prior to January 1, 2001, no waiting period is required. However, if the retirement date is after January 1, 2001, a one year waiting period is required. Only non-contracted substitute teaching may be performed during the waiting period.

The critical shortage areas are determined each year by the Education Standards and Practices Board (ESPB). For the 2005-06 school year, all subject areas are deemed critical except elementary education and physical education. A critical shortage exception may also be requested based on geographical area.

Each year, the retiree and employer must reapply for the CSA exception and complete a TFFR Retired Member Employment Notification form within 30 days of employment. Failure to notify TFFR will result in a \$250 penalty with the employer and suspension of one month of retirement benefits for the retired member. A new form must be completed each year a retiree returns to covered employment.

Retirees can also return to teach under the benefit suspension and recalculation option. Special provisions apply in these situations. Contact TFFR if you are planning to hire a retiree.

The Internal Audit Unit of the ND Retirement and Investment Office (RIO) has completed the first cycle of school district audits, and is about halfway through the second cycle. Our goal is to audit approximately 35 school districts per year. So, if it's been 5 or more years since you were audited, you may be on the list for the upcoming year!

Once a school district is selected for an audit, the following information is requested to verify member eligibility, salary reported, and service hours:

- Member information for sample group including individual teaching contracts, current teaching licenses, and payroll ledgers
- School district information including master contract, salary schedules, and extra-curricular activities payment schedules
- Explanation of the way the school district reports driver's education and summer school salary
- Written statement describing the length of the school day
- Written statement explaining the work schedule for full and part-time teachers
- Summary of any Section 125 - Flexible Benefits plan, if any

In the audits conducted over the past few years, the following errors seemed to be most prevalent:

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- ❖ Salary reported in the wrong fiscal year
- ❖ Service credit calculated incorrectly
- ❖ Salary reported for members who had no written agreement
- ❖ Fringe benefits reported as salary
- ❖ Bus driver pay reported as salary
- ❖ In-staff subbing salary not reported
- ❖ Stipends not reported

While most school districts have been found to be in compliance or generally in compliance with TFFR statutes and reporting requirements, for those employers who are found not to be in compliance, the TFFR Board has approved a policy change which requires:

- ❖ The employer to respond in writing to the audit finding(s) and/or recommendation(s) within 30 days of the report.
- ❖ NDRIO to conduct a follow-up review of the audit finding(s) and/or recommendation(s) one year following the date of the report.

We appreciate your cooperation with RIO auditors to ensure accurate reporting of retirement contributions, salary, and service credit for your employees.

Pension Note Requirements (GASB #25)

TFFR receives numerous requests at the end of each fiscal year from various accounting firms requiring the dollar amount of contributions reported and paid by a given school district(s). The requested information is located on the final fiscal year-end employer summary report provided to school districts each August. On the final page of the summary report (employer totals section), the dollar amount of the contributions reported and paid is documented.

Since this documentation is provided to the school district on a fiscal year basis, the requests will be referred to the individual school district(s).

If you have questions regarding the location of this information on the summary report, please call TFFR. We have enclosed a copy of the GASB #25 Disclosure Statement for your records.

New Forms

Old Forms

Enclosed is a small supply of updated TFFR forms. Please discard all old versions. If you need additional forms, please contact our office or access the forms on our

website!
www.nd.gov/rio

The forms enclosed are:

Member Action Form
Notice of Termination
Retired Member Employment Notification

Reminders:

- ❖ When reviewing the final year end summary report for accuracy, just a reminder that if an individual works in more than one school district, the total hours will be reduced so it may not show the full 700 hours as reported. This is because a member cannot earn more than one service credit per year, so the hours are divided between the employing entities.
- ❖ A Notification of School District Change form must be filed with TFFR when a district has a change in name, superintendent, administrator, business manager, individual preparing the report if not the business manager, address, telephone number, fax number, or e-mail address. This will ensure we have current information on file when corresponding with each district.
- ❖ If you are employing a new teacher or have teachers with a change in their name or address, TFFR will need a new Member Action form.
- ❖ If you have employed a TFFR retiree, please complete the TFFR Retired Member Employment Notification form within 30 days of employment. This form must be completed each year a retiree is employed.



Back to School

